

Message Text

CONFIDENTIAL

PAGE 01 STATE 044296

51

ORIGIN AGR-08

INFO OCT-01 EA-06 ISO-00 EB-07 /022 R

DRAFTED BY FAS/FMD/COT:GRATHELL:HM

APPROVED BY EB/FTD:AJWILLIAMS

FAS - DWILLIAMS

FAS - KSTEPHENS

FAS - JMINYARD

FAS - ERANSOM

EA/K - PMAYHEW

AGRIC - EBEVIS

DESIRED DISTRIBUTION

FAS, EA/K, AGRIC

----- 080094

P 271718Z FEB 75

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL PRIORITY

C O N F I D E N T I A L STATE 044296

E.O. 11652: GDS

TAGS: ETRD, KS

SUBJECT: OVERDUE COTTON CONTRACTS

REF: A. SEOUL 922 B. SEOUL 1106 C. STATE 39712

1. AS PREDICTED PARA 4 REF A DPM NAM, DURING WASHINGTON VISIT, REFERRED TO OVERDUE COTTON CONTRACTS OF 176,000 BALES AT END OF DECEMBER 1974.

2. TO ARRIVE AT THIS FIGURE THE ROKG APPARENTLY REDUCED THE QUANTITY OF BALES IN AN OVERDUE STATUS AS CREDIT FUNDS ALLOCATED, I.E., BY 45.9 MILLION DOLLARS KFX/USANCE AND 50.0 MILLION DOLLARS CCC, WHEREAS USDA AND U.S. COTTON TRADE CONSIDERS SALES AS PAST DUE UNTIL MILLS USE THEIR ALLOCATION AND LETTERS OF CREDIT ARE RECEIVED.

3. USDA ESTIMATES THAT BY THE END OF DECEMBER 13.1 MILLION DOLLARS KFX/USANCE HAD BEEN UTILIZED AND 13.1 MILLION DOLLARS CCC CREDIT FUNDS HAD BEEN USED, LEAVING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 044296

32.8 MILLION DOLLARS AND 36.9 MILLION DOLLARS, RESPECTIVELY

NOT UTILIZED OR 103,000 BALES AND 116,000 BALES AT AN AVERAGE OF 318.00 DOLLARS PER BALE.

4. ROKG'S FIGURE OF 176,000 BALES SHOULD BE INCREASED BY THESE 219,000 BALES TO REFLECT THE STATUS OF OVERDUE CONTRACTS FOR WHICH CREDITS HAVE NOT YET BEEN RECEIVED AND THE RESULTING QUANTITY OF 395,000 BALES IS IN REASONABLE AGREEMENT WITH THE USDA'S FIGURE OF 404,000 BALES AS OF THE END OF DECEMBER.

5. USDA STATUS OF OVERDUE CONTRACTS AS OF FEBRUARY 22 WAS 448,900 BALES WITH 31.1 MILLION DOLLARS KFX AND 39.2 MILLION DOLLARS CCC CREDIT FUNDS UTILIZED. THESE

FIGURES UPDATE, TO THE EXTENT POSSIBLE, THOSE CONTAINED REF C, AND INDICATE L/C OPENINGS ARE STILL PROCEEDING AT A VERY SLOW RATE.

6. AS YOU KNOW, WE HOPE TO OBTAIN NAC APPROVAL FOR 75 MILLION ADDITIONAL CCC CREDIT FOR KOREA. THIS CREDIT WILL BE CONTINGENT ON ROKG WRITTEN GUARANTEES (NOW BEING FORMULATED) THAT CONTRACTS WILL BE HONORED. REASONABLY CLOSE AGREEMENT BETWEEN USG AND ROKG DATA IS A PRE-REQUISITE FOR STRIKING SUCH A BARGAIN. THEREFORE, REQUEST EMBASSY ATTEMPT TO RECONCILE GROK FIGURES WITH THOSE GIVEN ABOVE AND IN REF C. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, CREDIT, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE044296
Document Source: CORE
Document Unique ID: 00
Drafter: GRATHELL:HM
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750069-0817
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975026/aaaaafds.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AGR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 SEOUL 922, 75 SEOUL 1106, 75 STATE 39712
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by ShawDG>; APPROVED <18 NOV 2003 by WorrelSW>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OVERDUE COTTON CONTRACTS
TAGS: ETRD, KS
To: SEOUL
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006